



**UZTEL S.A.**

**OILFIELD EQUIPMENT MANUFACTURING AND REPAIRS**

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FISCAL CODE RO1352846 , R.C. PLOIESTI NO. J29/48/1991; web site: [www.uztel.ro](http://www.uztel.ro)

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**UNAUDITED INTERIM STATEMENTS  
AT THE DATE OF  
AND FOR THE NINE MONTHS PERIOD  
ENDED ON 30 SEPTEMBER 2021**

**Drafted in accordance with the international financial reporting  
standards adopted by the European Union**



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## Statement of the Individual Financial Position for Accounting Reporting on 30.09.2021

In LEI	<u>30-September</u> <u>2021</u>	<u>31-December</u> <u>2020</u>
<b>Long-term Assets</b>		
Tangible assets	37.094.704	37.576.783
Intangible assets	64.489	68.052
<b>Total long-term assets</b>	<b><u>37.159.193</u></b>	<b><u>37.644.835</u></b>
<b>Current assets</b>		
Stocks	40.146.661	34.758.639
Trade receivables and other receivables	7.276.986	5.245.588
Cash and cash equivalents	157.712	1.286.319
<b>Total current assets</b>	<b><u>47.581.359</u></b>	<b><u>41.290.546</u></b>
<b>Total Assets</b>	<b><u>84.740.552</u></b>	<b><u>78.935.381</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	13.413.648	13.413.648
Adjustments of capital	3.453.860	3.453.860
Reserves	34.265.762	34.986.872
Result for the period	(5.730.031)	(11.615.826)
Result reported	(7.683.018)	(2.674.097)
<b>Total Equity</b>	<b><u>43.450.252</u></b>	<b><u>49.180.283</u></b>
<b>Long term loans</b>		
Loans	1.718.650	1.970.135
Trade payables and other payables	7.025.830	7.140.412
Provisions for disputes	221.017	225.017
<b>Total long-term liabilities</b>	<b><u>8.965.497</u></b>	<b><u>9.335.564</u></b>
<b>Current liabilities</b>		
Trade payables	12.637.434	6.747.158
Loans	7.956.576	8.269.583
Income in advance	5.399.956	245.186
Other liabilities	6.330.837	5.157.607
<b>Total current liabilities</b>	<b><u>32.324.803</u></b>	<b><u>20.419.534</u></b>
<b>Total debts</b>	<b><u>41.290.300</u></b>	<b><u>29.755.098</u></b>
<b>Total equity and liabilities</b>	<b><u>84.740.552</u></b>	<b><u>78.935.381</u></b>



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**Statement of comprehensive income  
for Accounting Reporting on 30.09.2021**

<b>In LEI</b>	<b>30-September 2021</b>	<b>30-September 2020</b>
Income	19.338.486	29.183.798
Other income	171.562	260.169
Income from operation subsidies for furlough payment	-	1.039.945
Other gains / (losses) -net	4.000	2.280
Income cost of inventories of finished goods and Production in progress	6.684.937	(2.573.253)
Expenses with raw materials and consumables	(12.578.863)	(11.247.151)
Asset depreciation and amortization expense	(1.725.878)	(1.864.895)
Employees expenses	(13.812.029)	(17.359.855)
Expenses with external supply	(2.348.017)	(2.733.957)
Other expenses	(982.332)	(1.532.072)
<b>Operation profit</b>	<b><u>(5.248.134)</u></b>	<b><u>(6.824.991)</u></b>
Financial income	157.537	435.988
Financial expenses	639.434	1.035.156
<b>Financial costs - net</b>	<b><u>(481.897)</u></b>	<b><u>(599.168)</u></b>
<b>Profit / (loss) before tax</b>	<b><u>(5.730.031)</u></b>	<b><u>(7.424.159)</u></b>
<b>Profit / (loss) for the period - net</b>	<b><u>(5.730.031)</u></b>	<b><u>(7.424.159)</u></b>
<b>Total consolidated income for the period</b>	<b><u>(5.730.031)</u></b>	<b><u>(7.424.159)</u></b>
<b>Earnings per Share</b>	<b><u>(1,07)</u></b>	<b><u>(1,38)</u></b>
<b>Number of shares</b>	<b><u>5.365.459</u></b>	<b><u>5.365.459</u></b>



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**Statement of Changes in Equity  
for Accounting Reporting on 30.09.2021**

In LEI	Equity	Adjustment of equity	Legal reserve	Reserves from reassessment	Other reserves	Result reported	Total equity
<b>balance at January 2021</b>	<b>13.413.648</b>	<b>3.453.860</b>	<b>1.985.076</b>	<b>32.370.663</b>	<b>631.133</b>	<b>(2.674.097)</b>	<b>49.180.283</b>
Reserve Reclassification From Reassessment At reported Result	-	-	-	-	-	<b>721.110</b>	<b>721.110</b>
Net Profit of period	-	-	-	-	-	<b>(5.730.031)</b>	<b>(5.730.031)</b>
Transfers between equity accounts	-	-	-	<b>(721.110)</b>	-	-	<b>(721.110)</b>
<b>Balance at 30 September 2021;</b>	<b>13.413.648</b>	<b>3.453.860</b>	<b>1.985.076</b>	<b>31.649.553</b>	<b>631.133</b>	<b>(7.683.018)</b>	<b>43.450.252</b>

As a result of applying IFRS beginning with the fiscal year 2012 were restated financial statements, resulting from the application of IAS 29 an inflation adjustment to equity of 3.453.860 lei.

No deferred tax adjustments for revaluation reserves for the period 01.01.2021 – 30.09.2021 have been calculated.



## Statement of cash flows for the accounting report on 30.09.2021

In LEI	<u>30-September</u> <u>2021</u>	<u>30-September</u> <u>2020</u>
<b>Net result for the period</b>	<b>(5.730.031)</b>	<b>(7.424.159)</b>
Depreciation / impairment of long-term assets	1.725.878	1.864.895
Profit / (loss) from the sale of fixed assets	(137.439)	590.922
Adjustments for the impairment of receivables - clients	473.022	1.546.766
Interest expenses	(373.980)	(556.778)
Interest income	1.264	1.710
Profit / (loss) from the sale of fixed assets	(116.262)	(18.181)
<b>Movements in working capital</b>	<b>1.572.483</b>	<b>3.429.334</b>
Increase / (decrease) trade receivables and other receivables	2.027.151	644.029
Increase / (decrease) of stocks	5.388.022	4.867.136
Increase / (decrease) in other current assets	-4.247	475
Increase / (decrease) of commercial debt	2.243.841	5.119.900
Increase / (decrease) advance income recorded	(1.012)	(575.502)
Increase / (decrease) other liabilities	(5.410.291)	(6.003.190)
<b>Cash used from operational activities</b>	<b>4.243.464</b>	<b>4.052.848</b>
Interest paid	(373.980)	(556.778)
<b>Cash generated from operating activities</b>	<b>(288.064)</b>	<b>(498.755)</b>
<b>Net cash from investment activities</b>	<b>(276.009)</b>	<b>(510.710)</b>
Cash payment for the purchase of fixed assets	(276.009)	(510.710)
<b>Net cash from financing activities</b>	<b>(564.534)</b>	<b>369.160</b>
Cash repayments of loans and credits	(754.454)	(670.625)
Cash receipts from loans and credits	189.962	-
Receipts from subsidies for furlough payment	-	1.039.945
Dividends paid	(42)	(160)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1.128.607)</b>	<b>(640.305)</b>



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### **Continuation The individual situation of the cash flows**

<b>Cash and cash equivalents at the beginning of the period</b>	<b>1.286.319</b>	<b>1.971.169</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>157.712</b>	<b>1.330.864</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>(1.128.607)</b>	<b>(640.305)</b>



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**FIXED ASSETS -tangible for Accounting Report at  
30.09.2021**

	land	Buildings and constructions	Machines and equipment	Other tangible assets	Tangible assets in progress	Advances for intangible assets	Total
Cost	Lei	Lei	Lei	Lei	Lei	Lei	Lei
Balance at 01 January 2021	16.342.931	30.995.658	36.286.544	166.042	2.546.484	20.363	86.358.022
Increases	-	-	1.235.894	-	1.209.523	-	2.445.417
Outputs	-	-	282.100	-	1.235.894	-	1.517.994
Balance at 30 September 2021	16.342.931	30.995.658	37.240.338	166.042	2.520.113	20.363	87.285.445
<b>Accrued depreciation</b>							
Balance at 01 January 2021	-	19.356.599	29.308.625	116.015	-	-	48.781.239
Amortization of period	-	1.001.859	652.360	5.383	-	-	1.659.602
Amortization of outputs	-	-	250.100	-	-	-	250.100
Balance at 30 September 2021	-	20.358.458	29.710.885	121.398	-	-	50.190.741
<b>Adjustments</b>							
Balance at 01 January 2021	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Balance at 30 September 2021	-	-	-	-	-	-	-
<b>Net book value</b>							
Balance at 01 January 2021	16.342.931	11.639.059	6.977.919	50.027	2.546.484	20.363	37.576.783
Balance at 30 September 2021	16.342.931	10.637.200	7.529.453	44.644	2.520.113	20.363	37.094.704



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In the period January 1 - September 30, 2021, the total value of the increases registered in the accounting records for the class “Machines and equipment” was of 1.235.894 lei representing:

- Self-consumption photovoltaic power plant, worth 1.206.823 lei;
- MW-B15101 MYWAY B15 laptop, worth 2.700 lei;
- Modernization of overhead cranes by installing radio controls, worth 26.371 lei.

*The tangible fixed assets* in progress registered in the period January 1 - September 30, 2021 an increase in value of 1.209.523 lei, representing:

- Self-consumption photovoltaic power plant, worth 1.206.823 lei;
- MW-B15101 MYWAY B15 laptop, worth 2.700 lei.

Between January 1st and September 30th, 2021, the total value of the decreases registered in the accounting records for the class “Machines and equipment” was of 282.100 lei, representing the removal of scrapped fixed assets.

*The tangible fixed assets* in progress registered between January 1 and September 30, 2021 a decrease in the amount of 1.235.894 lei, representing:

- MW-B15101 MYWAY B15 laptop, worth 2.700 lei;
- Modernization of overhead cranes by installing radio controls, worth 26.371 lei;
- Self-consumption photovoltaic power plant, worth 1.206.823 lei.



## Explanatory Notes to Interim Financial Statements for The Accounting Report on 30.09.2021

### FIXED ASSETS- intangible

	Development expenses	Other intangible assets	Intangible assets in progress	Total
Cost	Lei	Lei	Lei	Lei
Balance at 01 January 2021	186.892	777.108	-	964.000
Inputs	-	62.713	-	62.713
Outputs	-	-	-	-
Balance at 30 September 2021	186.892	839.821	-	1.026.713
<b>Accrued Amortization</b>				
Balance at 01 January 2021	131.656	764.292	-	895.948
Amortization of period	13.654	52.622	-	66.276
Amortization of outputs	-	-	-	-
Balance at 30 September 2021	145.310	816.914	-	962.224
<b>Net book value</b>				
Balance at 01 January 2021	55.236	12.816	-	68.052
Balance at 30 September 2021	41.582	22.907	-	64.489

Between January 1 and September 30, 2021, the company acquired intangible assets worth 62.713 lei, representing:

- Laptop license T5D-03308 Office home and business 2019 - English eurozone medailess, worth 1.090 lei;
- Technical support for the SIVECO integrated program, amounting to 56.053 lei;
- ESET Endpoint antivirus license, worth 5.570 lei.



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## Explanatory Notes to Interim Financial Statements for Accounting Report on 30.09.2021

In LEI	<u>30 September</u> <u>2021</u>	<u>31 December</u> <u>2020</u>
Raw material	1.073.234	1.179.516
Additional material	468.667	512.541
Fuels	63.014	24.131
Packaging materials	1.395	1.442
Spare parts	2.973.288	2.989.666
Other consumables	167.132	176.742
Inventory items	291.615	318.074
Product in progress	12.071.631	7.427.446
Semi- manufactured	3.272.497	3.281.452
Finished product	8.002.749	7.008.299
Difference of price of finished products	11.443.775	11.653.447
Packing	3.425	3.589
Residual products	8.900	8.990
<b>Total</b>	<b>39.841.322</b>	<b>34.585.335</b>
Advances for purchases assets such as stocks	305.339	173.304
<b>Total General Stocks</b>	<b>40.146.661</b>	<b>34.758.639</b>



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## **Explanatory Notes to Interim Financial Statements for the Accounting Reporting on 30.09.2021**

### **Individual Statement of Cash Flows and cash equivalent**

<b>In LEI</b>	<b><u>30-September 2021</u></b>	<b><u>31-December 2020</u></b>
Cash and cash equivalent	157.712	1.286.319
Bank deposit	0	0
<b>Cash and cash equivalent</b>	<b>157.712</b>	<b>1.286.319</b>

From the point of view of the Cash Flow Statement, it is considered that:

- Cash is the cash in the cashier and current bank accounts;
- Cash equivalents are fiscal and postage stamps.

The prudent management of liquidity risk implies maintaining sufficient cash in lei and foreign currency in the company's bank accounts.

There are no restrictions on cash accounts in banks.



## Explanatory Notes to Interim Financial Statements for the Accounting Reporting on 30.09.2021

### Trade receivables and other receivables

	<u>Balance at 30</u> <u>September</u> <u>2021</u> <u>lei</u>	<u>Balance at 01</u> <u>January</u> <u>2021</u> <u>lei</u>
<b>Trade receivables</b>	<b>5.085.776</b>	<b>3.719.255</b>
Domestic Client	1.747.464	2.025.928
External Client	2.346.589	699.648
Doubtful client, litigation	614.809	616.765
Suppliers borrowers	376.914	376.914
<b>Other receivables</b>	<b>2.660.232</b>	<b>1.995.355</b>
VAT to be recovered	837.775	-
Wage advance	17.800	19.585
Borrowers	1.417.100	1.543.732
Receivables on current income tax	-	-
Other receivables (VAT not required; Expenses recorded in advance and Settlements from operations under clarification)	387.557	432.038
Adjustments for impairment of receivables-clients	(469.022)	(469.022)
<b>Total trade receivables and other receivables</b>	<b>7.276.986</b>	<b>5.245.588</b>

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Total trade receivables and other receivables	Balance at	From what pending		
	30.09.2021	31-90 zile	91-120 zile	> 120 zile
1.Domestic Client	1.747.464,00	297.557,00	43.030,99	522.152,88
2. External Client	2.346.589,00	119.465,00	59.659,00	399.859,30
3. Doubtful internal clients	614.809,00	-	-	614.809,00
4. Adjustment for depreciation	(469.022,17)	-	-	(469.022,17)
5. Debtor suppliers	376.914,00	376.914,00	-	-
<b>Net receivables</b>	<b>4.616.753,83</b>	<b>793.936,00</b>	<b>102.689,99</b>	<b>1.067.799,01</b>



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The amount of 387.557 lei registered in the “*Other receivables*” account refers to:

- account 438 (Other social debts - medical leave) = 253.822 lei;
- account 4412 (Claims on deferred tax) = 7.557 lei;
- account 4428 (VAT not chargeable) = 114.136 lei;
- account 471 (Expenses recorded in advance-subscriptions for publications and Telekom) = 7.896 lei;
- account 473 (Settlements from operations being clarified) = 4.146 lei.

Uncertain clients were registered separately in the accounting records of the company.

The assessment of the debts expressed in foreign currency was made at the exchange rate communicated by the National Bank of Romania for the close of September 2021.

The differences of the favourable or unfavourable exchange rate between the exchange rate market at which the debt claims are registered and the exchange rate communicated by the National Bank of Romania for the close of September 2021 were recorded in the corresponding accounts of income or expenses due to exchange rate differences, as applicable.



## Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2021

### Situation of commercial debts and other debts

	<u>Balance at 30 September</u>	<u>Balance at 01</u>
	<u>2021</u>	<u>January</u>
	<u>lei</u>	<u>2021</u>
		<u>lei</u>
a) Situation of short-term debts		
Amounts owed to credit institutions	7.956.576	8.269.583
Advances collected for orders	5.399.956	245.186
Trade payables - suppliers	12.637.434	6.747.158
Tax on current profit	-	-
Other debts, including tax debts and social security debts	6.330.837	5.157.607
<b>Total short-term debts</b>	<b>32.324.803</b>	<b>20.419.534</b>

	<u>Balance at 30 September</u>	<u>Balance at 01</u>
	<u>2021</u>	<u>January</u>
	<u>lei</u>	<u>2021</u>
		<u>lei</u>
a) Situation of long-term debts		
Amounts owed to credit institutions	1.718.650	1.970.135
Trade payables - suppliers	2.053.540	1.049.405
Other debts including tax debts and social security contributions due	4.972.290	6.091.007
Provisions and prepayments and earnings recorded in advance	221.017	225.017
<b>Total long -term debts</b>	<b>8.965.497</b>	<b>9.335.564</b>

The amount of 6.330.837 lei registered in the account "Other debts, including tax liabilities and social security debts" refers to:

- the amounts from the account 462 (various creditors - rescheduling agreements) = 725.013,46 lei;
- account 457 dividends = 1.569.741 lei, of which rescheduling agreements 1.007.874,37 lei;
- account 446 (other taxes, taxes and assimilated payments) = 301.956 lei ;
- current budgetary debts = 2.910.512 lei;
- current salary debt = 823.614,80 lei.



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**Continued of Situation of debts and other debts**

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Situation of trade debts and other debts	balance at	from what pending		
	30.09.2021	31-90 days	91-120 days	> 120 days
1. Internal suppliers	12.273.895,31	3.045.329,37	1.104.897,38	4.076.922,19
2. External suppliers	1.652.590,05	9.598,97	134.637,70	1.141.861,84
3. Creditor Clients	5.398.468,01	-	-	-
<b>Net debts</b>	<b>19.324.953,37</b>	<b>3.054.928,34</b>	<b>1.239.535,08</b>	<b>5.218.784,03</b>

**Bank loans guarantees:**

Bank loans granted through contracts no. 7793/4 and 7793/5 from 23.01.2019 are guaranteed with real estate mortgages whose evaluation for banking purposes was carried out in December 2020 by the company Mirva Revalcon Invest SRL Ploiesti, authorized evaluator, accredited member ANEVAR, market value of the assessed properties being of 32.673.140 lei.

For these mortgaged properties were concluded: - insurance policy no. 2589664 / 27.05.2021, valid from 27.05.2021 up to 26.05.2022 ( for the sum insured of 27.993.950 lei ).

In June 2019, the real estate guarantees were supplemented by the Real Estate Mortgage Contracts authenticated with the no. 2431 and no. 2433 from 27.06.2019 with the following lands / access roads:

- land located in the municipality of Ploiesti, str. Mihai Bravu, no. 243, Prahova county, with an area of 10.451 sqm, with cadastral number 125199, registered in the Land Book no. 125199;
- land located in the municipality of Ploiesti, str. Mihai Bravu, no. 243, Prahova county, with an area of 8.131 sqm, with cadastral number 125189, registered in the Land Book no. 125189.

This supplement of the guarantees granted to the bank resulted from the increase of the working capital amount granted to the company by the Additional Act no. 1 / 27.06.2019 to the contract no. 7793/5 of 23.01.2019.



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## Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2021

### Provisions

In LEI	<u>Balance at 1 January 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 30 September 2021</u>
Provisions for litigations	225.017	-	4.000	221.017
<b>Total</b>	<b>225.017</b>	<b>-</b>	<b>4.000</b>	<b>221.017</b>

### Income registered in advance

In LEI	<u>Balance at 1 January 2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 30 September 2021</u>
Income registered in advance	2.500	-	1.012	1.488
<b>Total</b>	<b>2.500</b>	<b>-</b>	<b>1.012</b>	<b>1.488</b>



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## Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2021

OPERATION RESULT	<u>9 months</u> <u>2021</u> <u>lei</u>	<u>9 months</u> <u>2020</u> <u>lei</u>
<b>Total operating income, of which</b>	<b>26.194.985</b>	<b>27.910.659</b>
Turnover	19.338.486	29.183.798
Income related to the cost of finished product stocks and production in progress	6.684.937	(2.573.253)
Income from the production of intangible and tangible assets	-	2.871
Income from operation subsidies for furlough payment	-	1.039.945
Other operation income	171.562	257.298

OPERATION EXPENSES	<u>9 luni 2021</u> <u>lei</u>	<u>9 luni 2020</u> <u>lei</u>
<b>Total operating expenses, of which:</b>	<b>31.443.119</b>	<b>34.735.650</b>
Raw material and consumables costs	10.598.236	8.626.010
Other material expenses	264.104	456.596
Other external expenses	1.685.878	2.155.563
The expenditures on goods	30.645	44.618
Trade discounts received	-	35.636
Expenses with employees	13.812.029	17.359.855
Value adjustments on tangible, intangible assets, real estate investments and biological assets evaluated at cost	1.725.878	1.864.895
Other operation expenses	3.330.349	4.266.029
Adjustments for provisions	(4.000)	(2.280)

FINANCIAL INCOME	<u>9 months</u> <u>2021</u> <u>lei</u>	<u>9 months</u> <u>2020</u> <u>lei</u>
<b>Total financial income, of which</b>	<b>157.537</b>	<b>521.508</b>
Income from exchange rate fluctuations	149.163	519.124
Interest income	1.264	2.375
Other incomes	7.110	9

FINANCIAL EXPENSES	<u>9 months</u> <u>2021</u> <u>lei</u>	<u>9 months</u> <u>2020</u> <u>lei</u>
<b>Total Financial expenses, of which:</b>	<b>639.434</b>	<b>1.137.285</b>
Interest charges	373.980	501.684
Other financial expenses	265.454	635.601



## **Explanatory Notes to Interim Financial Statements for Accounting Reporting on 30.09.2021**

### **INCOME TAX**

The profit tax for the period 01.01.2021 – 30.09.2021 includes the current tax. Income tax is recognized in the statement of comprehensive income or in other components of comprehensive income, if the tax is attributable to equity.

#### **Current income tax**

Current tax is the tax payable on the taxable profit realized for the period 01 January 2021 – 30 September 2021, determined on the basis of the tax regulations applicable at the reporting date. The applicable corporate tax rate for the financial period from January 1, 2021 – 30 September 2021 worth 16%.

#### **30 September 2021**

Expenditure on current income tax	0 lei
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**Annex No. 13 of ASF Rule nmb. 5 / 2018**  
**Economic and Financial Indicators**  
**for Accounting Reporting on 30.09.2021**

<b>Economic - Financial Indicators</b>	<b>30.09.2021</b>	<b>30.09.2020</b>
<b>Current Liquidity (general) - Current Assets / Current Liabilities</b>	<b>1,47</b>	<b>1,70</b>

The current - general liquidity registered on 30.09.2021 is 1,47 and represents the degree of current debt coverage through the current assets owned by the company.

<b>Indebtedness degree - Borrowed capital / Equity * 100</b>	<b>22,27</b>	<b>17,94</b>
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The indebtedness of the company increased to 22,27% and represents the share held by the borrowed capital - in the employed capital (equity).

<b>Duration of receivables recovery - Receivables / Turnover * 270 days</b>	<b>101 days</b>	<b>81 days</b>
<b>Rotation speed of customers - client's liabilities - Average customer balance / Turnover * 270 days</b>	<b>56 days</b>	<b>83 days</b>

It expresses the efficiency of the company in collecting its debts, respectively the number of days until the date on which the debtors pay their debts to the company.

<b>Rotation speed of fixed assets - Turnover / Fixed assets</b>	<b>0,52</b>	<b>0,76</b>
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It expresses the efficiency of the management of the fixed assets, by examining the turnover generated by a certain amount of fixed assets

General Director,  
Eng. Anghel George Marinelo

Economic Director,  
Ec. Popescu Ileana

Head of Gen. Acct. Dept  
Ec. Duta Heroiu Maria Carmen